

Mr. Kay Sehi-Emovon

January 10, 2007

Dear Kay,

We are delighted to confirm our offer of employment to you as a Senior Developer in Information Technology Division of Lehman Brothers Japan Inc., a *kabushiki kaisha* ("LBJkk") incorporated under the laws of Japan (together with LBJkk's parents, subsidiaries, and affiliates, together with successors and assigns, the "Firm"). The purpose of this letter is to set forth our mutual understanding of the terms of your employment.

We anticipate that your starting date will be on a mutually agreeable date.

Your workplace will be situated at the office of the Firm located in Tokyo (the address of which is Roppongi Hills Mori Tower, 10-1, Roppongi, 6-chome, Minato-ku, Tokyo) or any other location to which the Firm may move its offices to or to which it may reasonably assign you.

#### **COMPENSATION, AWARDS AND BENEFITS**

- An annual base salary of ¥14,000,000.
- The annual base salary as stated above is payable in twelve installments on or around the 25<sup>th</sup> of each month into your nominated bank account in Japan and is subject to taxes and applicable deductions. The base salary is inclusive of regular annual salary and overtime allowance in accordance with the Firm's Rules of Employment.
- For 2007 and all future years, you are eligible to receive an annual discretionary bonus, awards, and benefits based on your contribution to the Firm and the Firm's performance, determinable on or about January 31st of the following year.
- At the Firm's discretion, a portion of your total compensation (combined base salary, housing subsidy, bonus, and other eligible compensation) will be delivered in the form of conditional equity-based awards (Conditional Equity Awards ("CEAs"), stock options, and/or other equity-based awards) pursuant to the Firm's Equity Award Program as then in effect. The terms and conditions of the Equity Award Program, including terms and conditions relating to vesting, exercisability, and forfeiture, will be established by the Firm from time to time in its discretion.

#### **RELOCATION**

- The Firm will provide relocation assistance in line with Firm's Relocation Policy as explained in the attached relocation letter. For further inquiries, please contact our Relocation Manager, Kayoko Sakamoto.

#### **CORPORATE HOUSING PROGRAM**

- You will be eligible to participate in the Firm's Corporate Housing Program, under which your housing lease will be made in the Firm's name. The Firm will finance the security deposit. Key money, broker's fee and other expenses will be at your own cost. Renovation costs at the end of the housing lease term will also be at your own cost. A full explanation of the Corporate Housing Program is enclosed with this letter.

Kay Sehi-Emovon

**ADDITIONAL BENEFITS & PROGRAMS**

- You will be eligible to participate in the Firm's standard local benefit programs. These programs will be explained to you during your orientation session within the first week of your employment. The details of these programs may change from time to time and are available for further review on LehmanLive. Please also contact your Human Resources Generalist for any further inquiries.

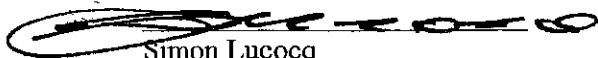
**OTHER CONDITIONS**

- Please be aware that the terms and conditions of your employment are governed by the Firm's Rules of Employment, and standard local and global policies, which may be subject to change from time to time at Firm's discretion and in accordance with applicable law.
- Your employment will be on a probationary basis for the first three (3) months. The Firm retains the right to extend this probationary period for a further three month period if considered appropriate.
- The Firm or you may terminate this contract at any time by giving thirty (30) days written notice to the other party. The conditions governing this notice period are outlined in the Rules of Employment.
- In addition, in making this offer of employment, the Firm has relied on your representations that you are not subject to any duty or obligation that would prevent you from becoming employed with us on your start date or that would in any way prevent you from performing the duties of your position, and that you are not subject to any non-competition, non-solicitation or other restrictive covenant that might affect your employment by the Firm. If these representations are untrue, incomplete or inaccurate in any respect, the Firm shall have the right to terminate this agreement and your employment immediately upon notice to you and seek whatever remedies as may be available to it under applicable law.
- The terms and conditions in this letter will be governed by and construed in accordance with the laws of Japan, and you and LBJkk agree that the Tokyo District Court will have exclusive jurisdiction with respect to this letter.


This offer of employment is valid up to and including January 19, 2007. Should you decide not to countersign this letter by the above date, the current offer being made to you will expire. If you agree to these terms, please sign the duplicate copy of this letter, specify your possible starting date and return it to the Human Resources Department in Tokyo.

We look forward to you joining the team and sharing in your future career at Lehman Brothers.

Yours sincerely,

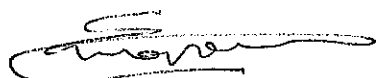


Simon Lucocq  
Managing Director  
Head of IT, Asia



Bernice Smith  
Senior Vice President  
Human Resources, Asia

Accepted:



Kay Sehi-Emovon

12/10/07

Date of acceptance

15/1/2007

Possible starting date